

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ARMSTRONG FLOORING, INC., *et al.*,
Debtors.¹

Chapter 11

Case No. 22-10426 (MFW)

(Jointly Administered)

Related Docket No. 962

**ORDER ON MOTION FOR APPROVAL OF PROCEDURES REGARDING
SETTLEMENTS OF AVOIDANCE CLAIMS
PURSUANT TO BANKRUPTCY RULE 9019(b)**

Upon consideration of the *Motion for Approval of Procedures Regarding Settlements of Avoidance Claims Pursuant to Bankruptcy Rule 9019(b)* (the “Motion”) filed by Armstrong Flooring, Inc. and its affiliated debtors and debtors in possession (collectively, the “Debtors”); and the Court having jurisdiction to decide the Motion and the relief requested therein; it appearing that approval of the Motion is warranted; and that due and timely notice of the Motion has been given, it is hereby:

ORDERED that the Motion is GRANTED in its entirety; and it is;

ORDERED that the Debtors are authorized, but not directed, to compromise and settle potential Avoidance Actions² pursuant to the following Settlement Procedures:

a. Avoidance Actions with Gross Transfers of \$750,000 or less:

With the exception of Avoidance Actions against insiders³ or former insiders, the Debtors will be free to consummate settlements in this class in their business judgment by filing a Notice of Settlement with the Court,

¹ The Debtors in these chapter 11 cases, along with the last four digits of their respective tax identification numbers, are as follows: Armstrong Flooring, Inc. (3305); AFI Licensing LLC (3265); Armstrong Flooring Latin America, Inc. (2943); and Armstrong Flooring Canada Ltd. (N/A). The address of the Debtors’ corporate headquarters is PO Box 10068, 1770 Hempstead Road, Lancaster, PA 17065.

² All terms not defined in this order shall have those meanings as ascribed to them in the Motion.

³ “Insiders” are persons as defined in 11 U.S.C. § 101(31) or as otherwise applicable.

without further hearing, unless an objection is filed to the Notice of Settlement. The Notice of Settlement may include multiple settlements in one notice, and will provide an objection deadline of ten (10) days from the date of filing the Notice of Settlement. The notice of electronic filing of Notice of Settlement issued through the Court's Electronic Filing System shall constitute adequate and sufficient service of the Notice of Settlement. If an objection is filed, the objecting party and Debtors shall confer and, should the objection not be resolved, set the objection for hearing at the next regularly-scheduled omnibus hearing.

b. Avoidance Actions with Gross Transfers Greater Than \$750,000, and All Avoidance Actions Against Insiders or Former Insiders:

With regard to any Avoidance Action in which the gross transfers are \$750,000 or greater, and as to any Avoidance Action against an Insider or former Insider, the Debtors shall seek Court approval of the proposed settlement pursuant to Bankruptcy Rule 9019(a), or on such notice as is provided for in the plan or in documents governing any trust to which the Avoidance Actions may be transferred.

If no objections are timely and properly filed and served by the objection deadline, if any, the Debtors are authorized to submit a proposed form of order approving one or multiple settlements of the potential Avoidance Actions, under certification of counsel (the "Proposed Order"). A proposed settlement will be deemed final and fully authorized by the Court upon the entry of the Proposed Order without further notice or a hearing, and the Debtors shall be authorized to consummate such settlement. In the event a proposed settlement may terminate prior to entry of a Proposed Order or is otherwise time-sensitive, the Debtors are authorized to consummate such settlement prior to entry of a Proposed Order, provided that the terms of such settlement are expressly subject to entry of the Proposed Order.

and it is further ORDERED that this Court shall retain jurisdiction over the interpretation and enforcement of this Motion and Order.